

WHITMAR EXPLORATION COMPANY

555 17th Street, Suite 880

Denver, CO 80202-3908

(303) 991-9400

Fax (303) 991-9401

June 2, 2008

Diana Mason
Utah Division of Oil, Gas & Mining
1594 North Temple, Suite 1210
Salt Lake City, Utah 84114

Re: Application for Permit to Drill 27-1R

Dear Ms. Mason:

Please find the enclosed Original and one copy of the permit to drill for the 27-1R. If you have any further requests or questions, please feel to contact me directly at 303-991-9400 ext. 112.

Sincerely,



Heather Mitchell
WhitMar Exploration Company

RECEIVED
JUN 03 2008
DIV. OF OIL, GAS & MINING

STATE OF UTAH
DEPARTMENT OF NATURAL RESOURCES
DIVISION OF OIL, GAS AND MINING

FORM 3

AMENDED REPORT ☐
(highlight changes)

APPLICATION FOR PERMIT TO DRILL

1A. TYPE OF WORK: DRILL <input checked="" type="checkbox"/> REENTER <input type="checkbox"/> DEEPEN <input type="checkbox"/>		5. MINERAL LEASE NO: FEE	6. SURFACE: Fee
B. TYPE OF WELL: OIL <input type="checkbox"/> GAS <input checked="" type="checkbox"/> OTHER _____ SINGLE ZONE <input checked="" type="checkbox"/> MULTIPLE ZONE <input type="checkbox"/>		7. IF INDIAN, ALLOTTEE OR TRIBE NAME: N/A	
2. NAME OF OPERATOR: WhitMar Exploration Company		8. UNIT or CA AGREEMENT NAME: UTU84383	
3. ADDRESS OF OPERATOR: 555 17th St., Ste. 880 CITY Denver STATE CO ZIP 80202		9. WELL NAME and NUMBER: Federal 27-1R	
4. LOCATION OF WELL (FOOTAGES) AT SURFACE: 1265' FNL & 2027' FEL AT PROPOSED PRODUCING ZONE: 1265' FNL & 2027' FEL		10. FIELD AND POOL, OR WILDCAT: Helper 18	
14. DISTANCE IN MILES AND DIRECTION FROM NEAREST TOWN OR POST OFFICE: +/- 10.36 miles Northeast of Wellington		11. QTR/QTR, SECTION, TOWNSHIP, RANGE, MERIDIAN: NWNE 27 13S 11E	
15. DISTANCE TO NEAREST PROPERTY OR LEASE LINE (FEET) 1265'	16. NUMBER OF ACRES IN LEASE: 360	17. NUMBER OF ACRES ASSIGNED TO THIS WELL: 160	
18. DISTANCE TO NEAREST WELL (DRILLING, COMPLETED, OR APPLIED FOR) ON THIS LEASE (FEET) 2679' E & 2820' S of proposed 22-3	19. PROPOSED DEPTH: 4,200	20. BOND DESCRIPTION: LPM8792527	
21. ELEVATIONS (SHOW WHETHER DF, RT, GR, ETC.): 6237	22. APPROXIMATE DATE WORK WILL START:	23. ESTIMATED DURATION: 15 days	

PROPOSED CASING AND CEMENTING PROGRAM

SIZE OF HOLE	CASING SIZE, GRADE, AND WEIGHT PER FOOT	SETTING DEPTH	CEMENT TYPE, QUANTITY, YIELD, AND SLURRY WEIGHT
17"	Conducto 12 1/4	50	
12 1/4	8 5/8 J-55 24#	420	Howco Prem. Plus 250 sx 15.6 #/gal 1.20 cu. Ft/sk
7 7/8	5 1/2 J-55 15.5#	4,100	Howco CBM light 165sx 10.5 # gal 4.14 cu ft/sk
			Prem Plus 125 sx 14.2 #/gal 1.16 cu. ft/sk

ATTACHMENTS

VERIFY THE FOLLOWING ARE ATTACHED IN ACCORDANCE WITH THE UTAH OIL AND GAS CONSERVATION GENERAL RULES:

- | | |
|--|--|
| <input checked="" type="checkbox"/> WELL PLAT OR MAP PREPARED BY LICENSED SURVEYOR OR ENGINEER | <input checked="" type="checkbox"/> COMPLETE DRILLING PLAN |
| <input type="checkbox"/> EVIDENCE OF DIVISION OF WATER RIGHTS APPROVAL FOR USE OF WATER | <input type="checkbox"/> FORM 5, IF OPERATOR IS PERSON OR COMPANY OTHER THAN THE LEASE OWNER |

NAME (PLEASE PRINT) Heather Mitchell TITLE Operations Coordinator

SIGNATURE *Heather Mitchell* DATE 6/2/08

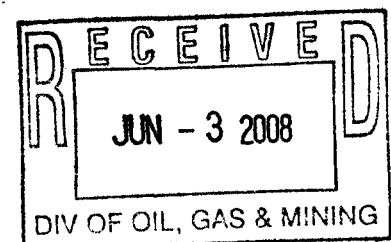
(This space for State use only)

Approved by
Utah Division of
Oil, Gas and Mining

API NUMBER ASSIGNED: 43007-31415

Date: 10-13-08

By: *[Signature]*



[illegible]

BASIS OF BEARING USED WAS S89°50'40"W BETWEEN THE NORTHEAST CORNER AND THE NORTH QUARTER CORNER OF SECTION 27, T.13 S., R.11 E., S.L.B. & M.
 LATITUDE = 39°40'16.2189" (39.6711712950) NAD 83
 LONGITUDE = -110°40'16.7862" (-110.67132950) NAD 83

I HEREBY CERTIFY THAT THE ABOVE IS A TRUE AND CORRECT COPY OF THE RECORD AS THE SAME APPEARS IN THE RECORDS OF THE STATE OF UTAH.
 TREVOR R. GADD, L.S. #343639 DATE 05/29/08



DESIGNED —	SURVEYED J.J.	CHECKED T.R.G.	DRAWN R.L.B.	PROJECT NO. 0711-214	SHEET NO. 1
DATE 5/29/08		DWG. NAME WFL 1271R	SCALE 1"=1000'		

WHITMAR EXPLORATION COMPANY

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Fax (303) 991-9401

June 2, 2008

Diana Mason
Utah Division of Oil, Gas & Mining
1594 West North Temple, Suite 1210
Salt Lake City, Utah 84114

Re: Location Exception

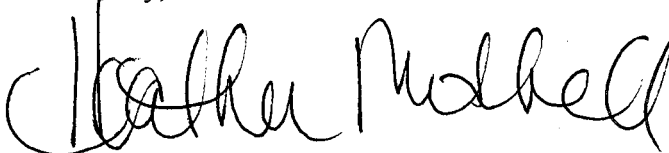
Dear Ms. Mason:

In reference to the State Oil and Gas Conservation Rule R649-3-3, the 27-1R well located in the NW/4 of the NE/4 of Section 27, Township 13S, Range 11E, is an exception to this rule due to formation damage caused by the original 27-1 well that was recently plugged and abandoned. This well needed to be far enough from the initial site to achieve production. This requires us to move outside the spacing rule.

Mr. Thayn and the BLM own the surface in section 27 however; Mr. Thayn owns the surface in the area that will be drilled. An agreement has already been negotiated and attached to the Drilling Permit. There is a Communitization Agreement in place from the previous well with the BLM. The agreement is number UTU84383.

Please let me know if you have any questions or concerns.

Sincerely,

A handwritten signature in black ink, appearing to read "Heather Mitchell". The signature is fluid and cursive, with the first name being more prominent.

Heather Mitchell
WhitMar Exploration Company

APD Checklist for 27-1R
WhitMar Exploration Company
NW/4 NE/4, Section 27-T13S-11E
2027' FEL, 1265' FNL
Carbon County, Utah

1. See attached Form 3
2. Lester C. and Carol Lynn Thayn Trust
7310 East HWY 6, Wellington, Utah 84542
435-637-451
3. See attached location plats.
4. Municipal Water Source, minimal water needed since well will be drilled with air.

5. Estimated Geologic Tops

<u>Marker</u>	<u>Depth (MD)</u>
Mancos Blue Gate Marker	2,200'
Ferron Sandstone	3,350'
Total Depth	4,200'

6. Ferron coals and sandstones 2,500 to 3,500

No groundwater is expected to be encountered. Water encountered will be reported on a Form 7 "Report of Water Encountered During Drilling."

7. A double gate 2000 psi BOP will be used with a rotating head. This equipment will be tested to 2000 psi. All tests will be recorded in a Driller's Report Book. Physical operation of BOP;s will be checked on each trip.

The following shall be entered in the driller's log:

- a) Blowout preventer pressure tests, including test pressures and results;
- b) Blowout preventers tests for proper functioning;
- c) Blowout prevention drills conducted;
- d) Casing run, including size, grade, weight and depth set;
- e) How the pipe was cemented, including amount of cement, type, whether cement circulated, location of the cementing tools, etc.;
- f) Waiting on cement time for each casing string;
- g) Casing pressure tests after cementing, including test pressures and result.

8. The Type and Characteristics of the Proposed Circulating Muds

0-50'	17'	Drill with air
0-420'	12-1/4" hole	Drill with air, will mud up if necessary.

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420' - TD 7-7/8" hole

Drill with air, will mud up if necessary.
500 psi @ 1500-2300 Scf.

If fluid is necessary it will be fresh water + Quick Gel + Pac-R + Therma-Thin + Barolift at 8.5 – 8.8 #/gal maximum.

9. The Testing, Logging and Coring Programs are as follows

420'-TD Neutron-Density, PEX-AITH

10. No abnormal pressures or temperatures have been noted or reported in wells drilled in the area nor at the depths anticipated in this well. Bottom hole pressure expected is 1000 psi max. No hydrogen sulfide or other hazardous gases or fluids have been found, reported or are known to exist at these depths in the area.

11. Casing Design

HOLE SIZE	SETTING DEPTH (INTERVAL)	SIZE (OD)	WEIGHT, GRADE & JOINT	CONDITION
17"	50'	12 1/4	Conductor	New
12-1/4"	420'	8-5/8	24# J-55 ST&C	New
7-7/8"	4100'	5-1/2	15.5# J-55 ST&C	New

12. Cementing Design

Cement Program – Every attempt will be made to bring cement back to surface

Surface Casing 250 sacks Howco Premium Plus V + CaCl + Flocele;
Weight: 15.6 #/gal
Yield: 1.20 cu. Ft/sk

Production Casing: 165 sacks Howco CBM Light

Weight: 10.5 #/gal
Yield: 4.14 cu. Ft/sk
125 sacks Prem Plus
Weight 14.2 #/gal
Yield: 1.16 cu.ft/sk

13. N/A

14. N/A

15. Bond # LPM8792527

16. See attached surface agreement

17. See attached location exception

SURFACE DAMAGE RELEASE AND SURFACE RIGHT OF WAY GRANT

IN CONSIDERATION of the sum of Fifteen (\$15.00) per rod for access roads and One Thousand (\$1,000.00) per well site pad for each well drilled on the subject land, paid by **WHITMAR EXPLORATION COMPANY**, hereinafter referred to as "WhitMar", the receipt and sufficiency of which are hereby acknowledged, the undersigned, **LESTER C. THAYN and CAROL LYNN THAYN**, husband and wife, hereinafter referred to as the "Surface Owner" being the present owner of all or part of the surface covering:

Township 13 South, Range 11 East, SLM
Section 22: W2SW
Section 27: W/2NE, E/2NW, NWNW, NWSE, NESW
Section 34: E2
Township 14 South, Range 11 East, SLM
Section 3: N2NE
Containing 960 acres, more or less
Carbon County, Utah.

E 106720 B 571 P 57
Date 13-JUL-2004 10:06am
Fee: 18.00 Check
SHARON MURDOCK, Recorder
Filed By AP
For WHITMAR EXPLORATION
CARBON COUNTY CORPORATION

does hereby release, acquit, and forever discharge WhitMar Exploration Company, its successors and assigns, of all liability for all damages created or caused by reasons of the clearing, use, and all operations including drilling, completing, and subsequent operation of oil and/or gas well(s), which may be drilled by WhitMar and/or an assignee of WhitMar on any of the above described lands.

This release is intended to cover all surface damages to crops, trees, grass and/or other vegetation and soil damage. It is understood that WhitMar will have use of the wellsite surface and access road if the well(s) subject hereto is completed as a producer. Contemporaneously herewith, in consideration of the hereinabove said \$15.00 per rod for access roads and \$1,000.00 per well site pad, Surface Owner does hereby grant to WhitMar, its successors and assigns, any surface and subsurface rights in Sections 22, 27, and 34 of Township 13 South, Range 11 East, SLM; Section 3 of Township 14 South, Range 11 East, SLM necessary for the drilling, completing, and subsequent operation of well(s), including but not limited to rights-of-way, right of ingress and egress, easement rights, right to build and use roadways, right to build drilling pad and mud pits, right to place production equipment and/or storage tanks on the surface for said well, and the right to lay a pipeline under the surface for production from said well.

Location will be kept clean and free of trash and will be restored to original condition as near as possible after well is drilled and completed or plugged and abandoned. The undersigned represents that there is no tenant lessee or authorized persons in possession of the above described lands, other than is indicated below, and further agrees to defend, indemnify and hold WhitMar harmless against any claim or demand for payment of surface damages occasioned by damage to the above described lands, to any third party.

In WITNESS WHEREOF, this instrument has been executed by the undersigned this 14 day of

June, 2004.

SURFACE OWNER

Lester C. Thayne
LESTER C. THAYN

Carol Lynn Thayne
CAROL LYNN THAYN

WHITMAR EXPLORATION COMPANY

Whitney R. Marvin
Whitney R. Marvin, President

ACKNOWLEDGMENT

State of Utah)

County of Carbon)

§

On this 14 day of June, in the year 2004, before me Lester C. Thayn & Carol Lynn Th, a notary public, personally appeared LESTER C. THAYN and CAROL LYNN THAYN, proved on the basis of satisfactory evidence to be the persons whose names are subscribed to this instrument, and acknowledged they executed the same. Witness my hand and official seal.



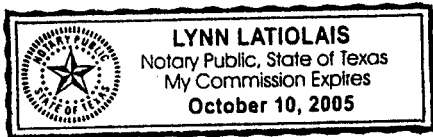
Marie A. Birch
NOTARY PUBLIC
Printed Name: Marie A. Birch

State of Texas)

County of Harris)

§

On this 8 day of June, in the year 2004, before me Lynn Latiolais, a notary public, personally appeared Whitney H. Marvin, President of WHITMAR EXPLORATION COMPANY, an Oklahoma corporation, proved on the basis of satisfactory evidence to be the person whose name is subscribed to this instrument, and acknowledged he executed the same. Witness my hand and official seal.



Lynn Latiolais
NOTARY PUBLIC
Printed Name: Lynn Latiolais

RETURN TO:
WhitMar Exploration Company
ATTN: Land Department
1021 Main Street, Suite 1100
Houston, TX 77002

E 10-720 B 571 P 58

SURFACE USE AND EASEMENT AGREEMENT

This Agreement is made and entered into effective the 18th day of December 2003, by and between **LESTER C. THAYN AND CAROL LYNN THAYN**, husband and wife, whose address is 7310 East Highway 6, Price, Utah 84501, hereinafter referred to as "Surface Owner") and **WHITMAR EXPLORATION COMPANY**, with its principal office at 1021 Main Street, Suite 1100, Houston, Texas 77002 (hereinafter referred to as "WhitMar").

WHEREAS, Surface Owner owns and has the right to possession and control of the surface estate of the following described lands located in Carbon County, Utah, (hereinafter referred to as "Owner's Land"):

Township 13 South, Range 11 East, SLM
Section 22: W2SW
Section 27: E2, N2NW, SENW, NESW
Section 34: E2
Township 14 South, Range 11 East, SLM
Section 3: N2NE
Containing 960 acres, more or less

and,

WHEREAS, WhitMar desires to obtain from Surface Owner an easement and right-of-way over and across Owner's Land and the right to the use and occupancy of the surface of portions of the Land for the purpose of conducting a preliminary survey to identify potential drill site locations on Owner's Land and for the purpose of gaining ingress to and egress from such Lands.

NOW, THEREFORE, in consideration of the premises and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, it is hereby agreed as follows:

1. Surface Owner hereby grants and conveys to WhitMar, its successors and assigns, the right to the use of the surface of Owner's Land and an easement and right-of-way for the purpose of conducting a preliminary survey to identify potential drill site locations on Owner's Land and for the purpose of gaining ingress to and egress from such lands.

2. When WhitMar's, its successors' or assigns', operations terminate on the Owner's Land, all surface directly disturbed by WhitMar as a result of its operations will be returned, as nearly as practicable, to the original condition.

3. This Agreement shall remain in full force and effect so long as WhitMar conducts any of the operations described in this Agreement. At such time as WhitMar permanently ceases all such operations, this Agreement shall terminate; provided, however, that WhitMar shall then have a reasonable period of time within which to remove any and all fixtures, equipment and personal property utilized in operations upon the Land and to conduct such other activities as may be required by applicable law or agreement.

4. All notices permitted or required to be given hereunder shall be delivered by U.S. mail, certified with return receipt requested, by overnight courier or by personal delivery to the party to be notified at the respective addresses set forth above.

5. This Agreement shall be binding upon and shall inure to the benefit of the parties hereto, their respective successors and assigns and binds Surface Owner as to any after acquired title Surface Owner may acquire in the lands after the date of this agreement.

6. It is mutually agreed between the parties that a Supplemental Surface Use and Easement Agreement shall be entered into in the event drill site locations and/or access roads are to be located on Owner's Land.

IN WITNESS WHEREOF, the parties have executed this Agreement the day and year first above written.

SURFACE OWNER

By: Lester C. Thayne

Lester C. Thayne

By: Carol Lynn Thayne

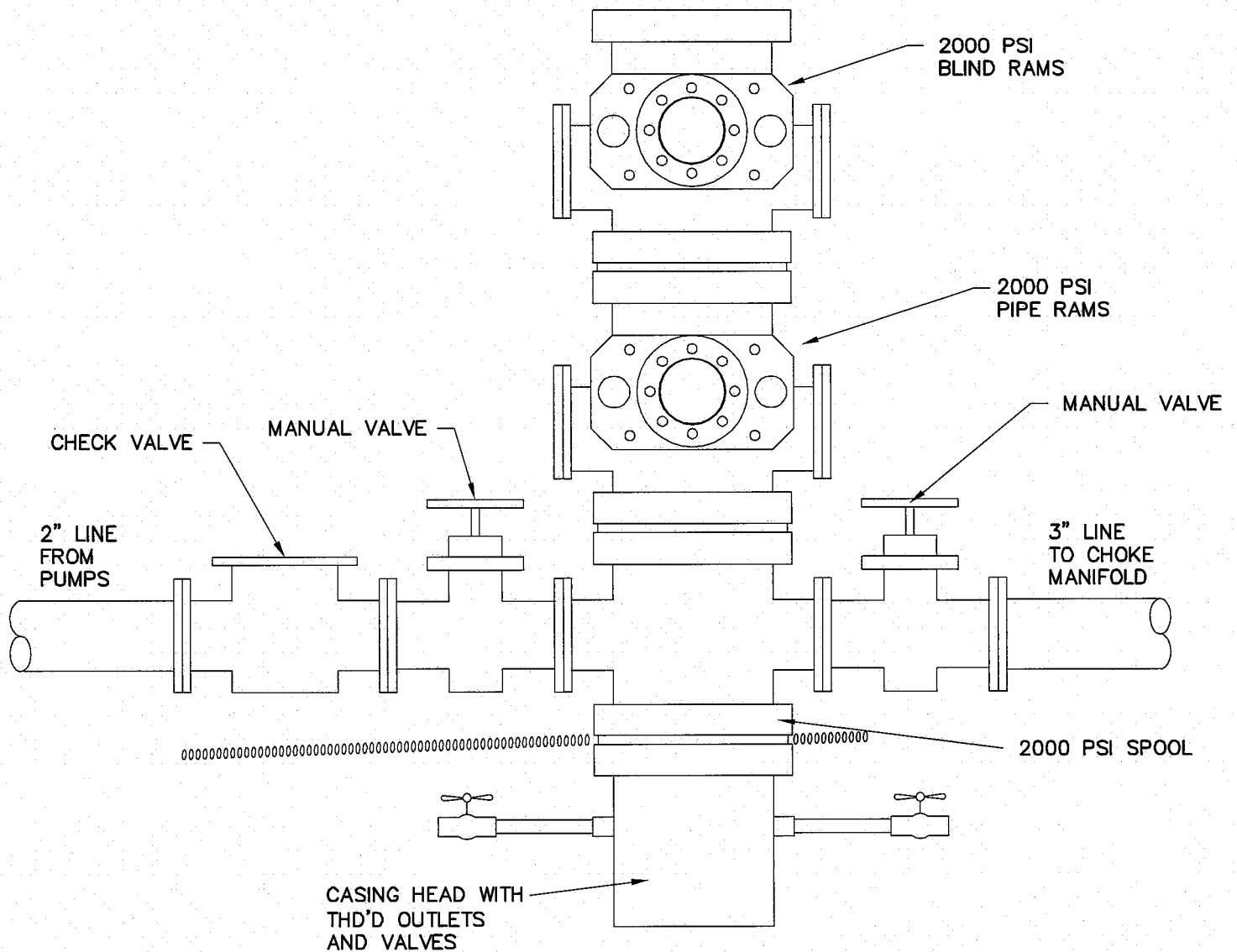
Carol Lynn Thayne

WHITMAR EXPLORATION COMPANY

By: Whitney Marvin

Whitney Marvin, President

BOP EQUIPMENT 2000 psi WP



SCHEMATIC WELL HEAD



WHITMAR EXPLORATION COMPANY



Jones & DeMille Engineering

1535 South 100 West - Richfield, Utah 84701
(435) 896-8266 Phone
(435) 896-8268 Fax
www.jonesanddemille.com

WHITMAR EXPLORATION

BOP EQUIP. & SCHEMATIC WELL HEAD

Section 27, T.13 S., R.11 E., S.L.B. & M.
1265' FNL 2027' FEL

SCALE: NA

ENG.: B.B.

PROJ.#: 0711-214

DATE: 05/15/2008

DWG.BY: J.E.S.

DWG.NAME: exhibit_27-1R

PAD CONSTRUCTION DATA

TOPSOIL STRIPPING = 573 C.Y. (6" DEPTH)

RAW VOLUMES (INCLUDES TOPSOIL):

CUT = 1463 C.Y.

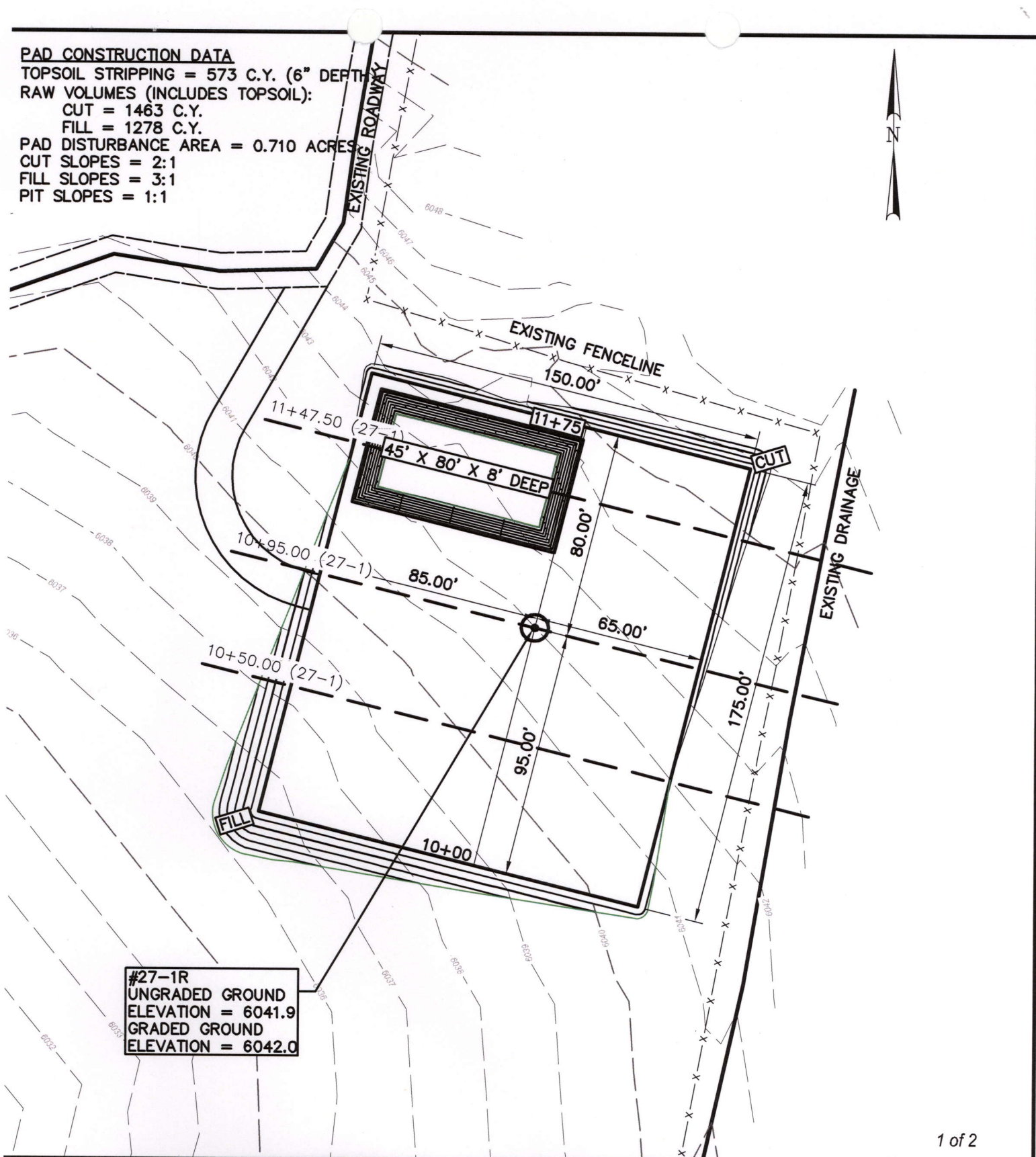
FILL = 1278 C.Y.

PAD DISTURBANCE AREA = 0.710 ACRES

CUT SLOPES = 2:1

FILL SLOPES = 3:1

PIT SLOPES = 1:1



#27-1R
UNGRADED GROUND
ELEVATION = 6041.9
GRADED GROUND
ELEVATION = 6042.0

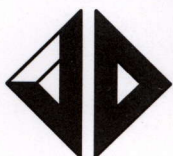
1 of 2

LEGEND

- PROPOSED LOCATION
- EXISTING ROAD
- NEW ROADWAY
- EXISTING COUNTY ROAD
NEEDING UPGRADE



WHITMAR EXPLORATION COMPANY



Jones & DeMille Engineering

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WHITMAR EXPLORATION

PROPOSED WHITMAR WELL #27-1R

Section 27, T.13 S., R.11 E., S.L.B. & M.
1265' FNL 2027' FEL

SCALE: 1:50

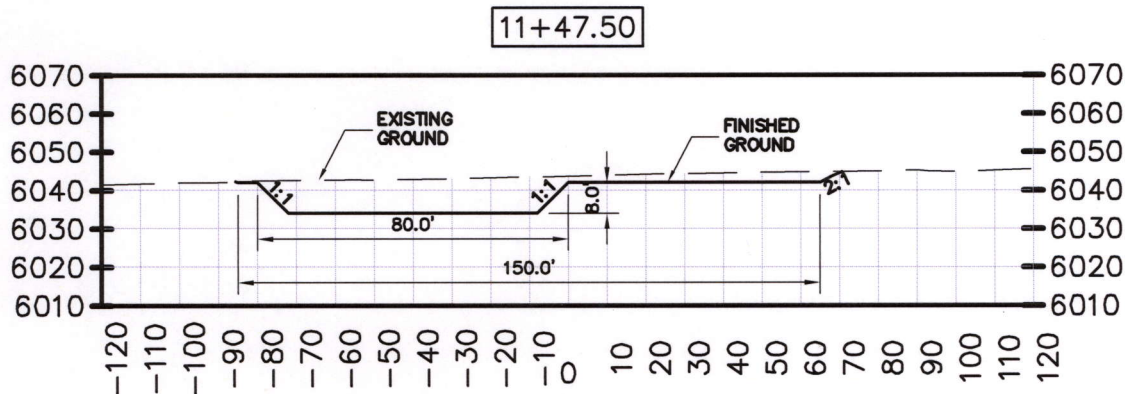
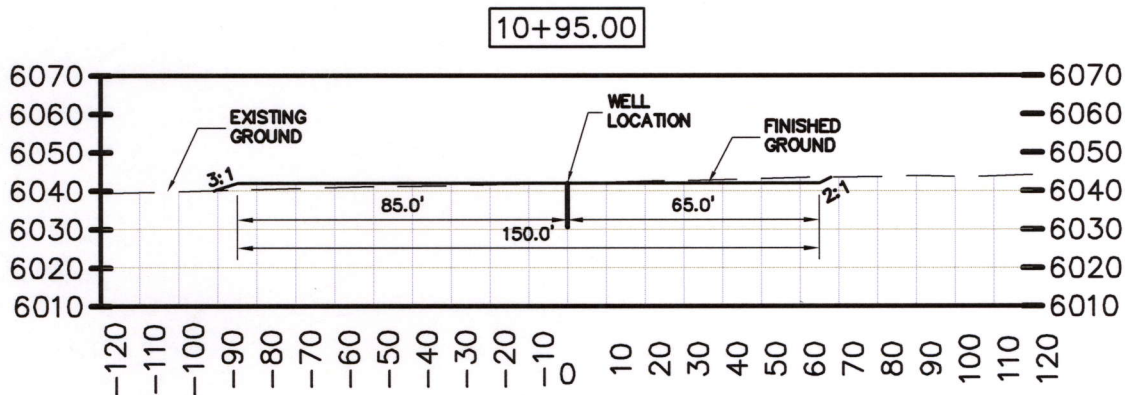
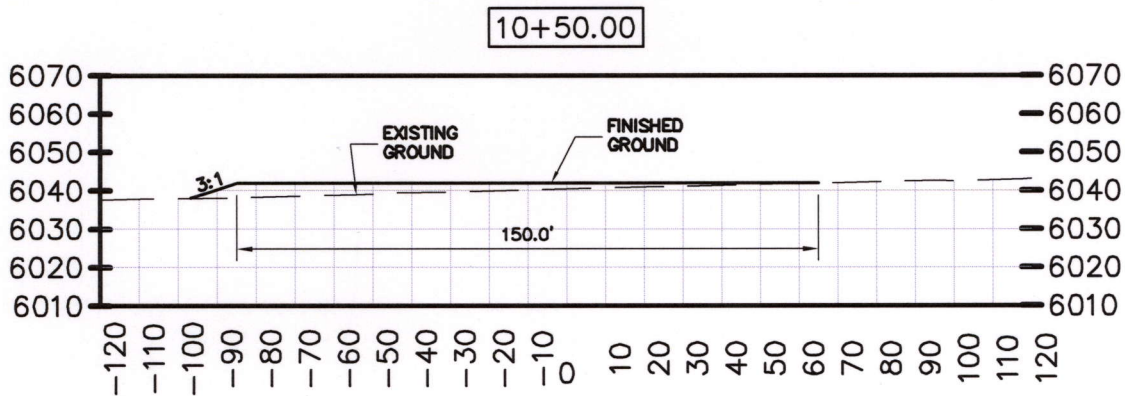
ENG.: B.B.

PROJ.#: 0711-214

DATE: 05/15/2008

DWG.BY: B.L.

DWG.NAME: 3D-SITE

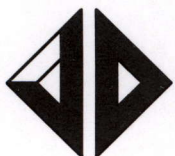


2 of 2

LEGEND			
	PROPOSED LOCATION		NEW ROADWAY
	EXISTING ROAD		EXISTING COUNTY ROAD
			NEEDING UPGRADE



WHITMAR EXPLORATION COMPANY



Jones & DeMille Engineering

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 (435) 896-8266 Phone
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WHITMAR EXPLORATION

PROPOSED WHITMAR WELL #27-1R

**Section 27, T.19 S., R.11 E., S.L.B. & M.
 1265' FNL 2027' FEL**

SCALE: 1:50

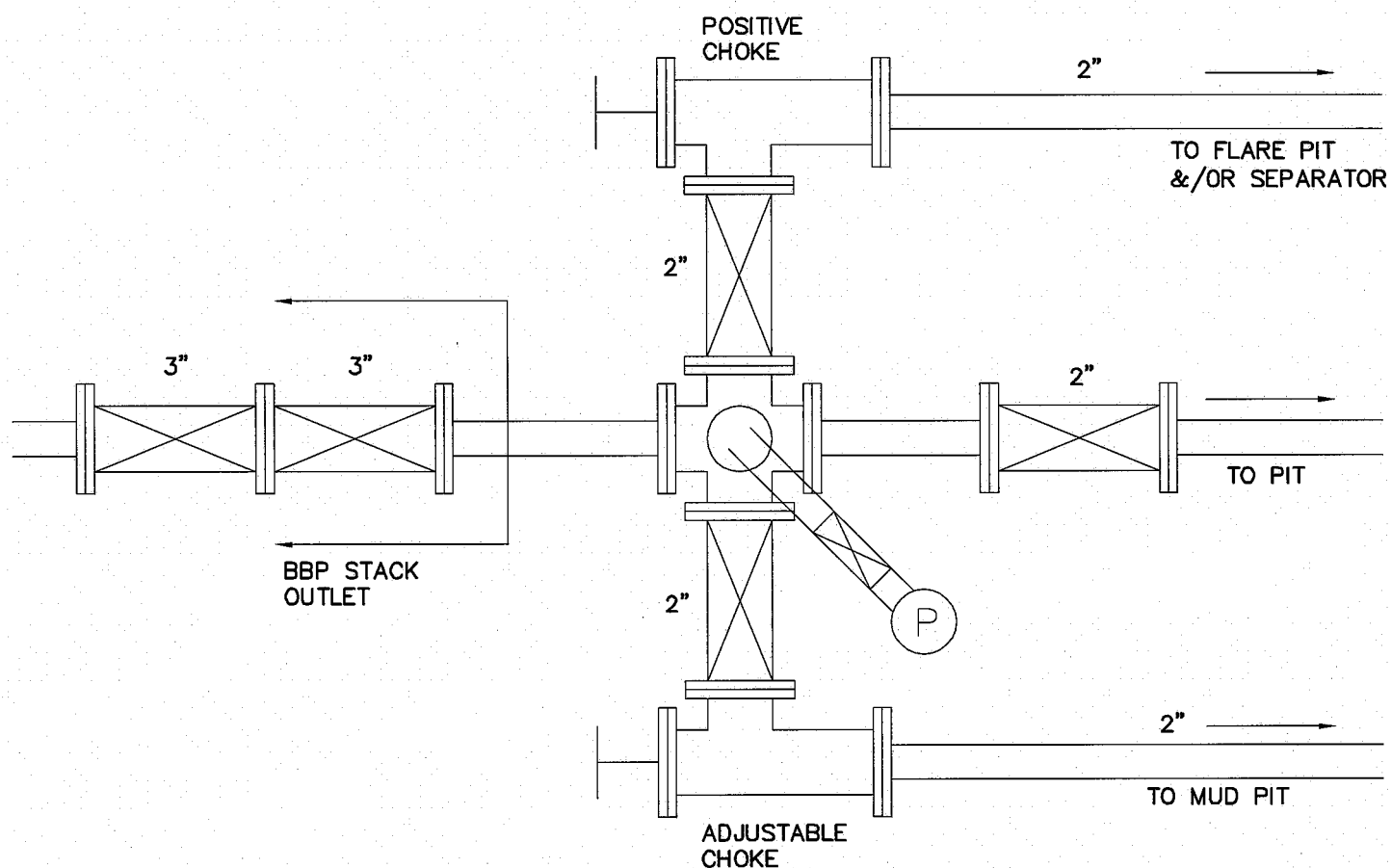
ENG.: B.B.

PROJ.#: 0711-214

DATE: 05/15/2008

DWG.BY: B.L.

DWG.NAME: 3D-SITE



CHOKE MANIFOLD



WHITMAR EXPLORATION COMPANY



Jones & DeMille Engineering

1535 South 100 West - Richfield, Utah 84701
 (435) 896-8266 Phone
 (435) 896-8268 Fax
 www.jonesanddemille.com

WHITMAR EXPLORATION

#27-1R CHOKE MANIFOLD

**Section 27, T.13 S., R.11 E., S.L.B. & M.
 1265' FNL 2027' FNL**

SCALE: NA

ENG.: B.B.

PROJ.#: 0711-214

DATE: 05/15/2008

DWG.BY: J.E.S.

DWG.NAME: exhibit_27-1R

**PROPOSED LOCATION
WHITMAR EXPLORATION
#27-1R**

T13S

T14S

ACCESS ROAD
County Rds. from Hwy.: 8.85 mi.±
Existing Access Rd.: 1.48 mi ±
New Rd.: 0.03 mi ±

EAST COAL CREEK RD

WELLINGTON

HWY 6 / HWY 191



SCALE

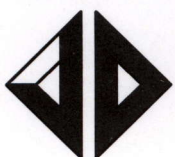


LEGEND

- PROPOSED LOCATION**
- EXISTING ROAD**
- NEW ROADWAY**
- EXISTING COUNTY ROAD
NEEDING UPGRADE**



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WHITMAR EXPLORATION

#27-1R Well Location Map

**Section 27, T.13 S., R.11 E., S.L.B. & M.
1265' FNL 2027' FEL**

SCALE: 1:6000

ENG.: B.B.

PROJ.#: 0711-214

DATE: 05/15/2008

DWG.BY: RLB

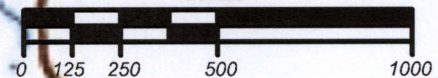
DWG.NAME: Location Map

**PROPOSED LOCATION
WHITMAR EXPLORATION
#27-1R**

ACCESS ROAD
County Rds. from Hwy.: 8.85 mi.±
Existing Access Rd.: 1.48 mi ±
New Rd.: 0.03 mi ±

EAST COAL CREEK RD
TO HWY 6
/ HWY 19

Creek

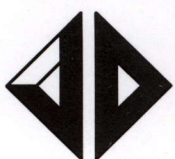


LEGEND

- PROPOSED LOCATION
- EXISTING ROAD
- NEW ROADWAY
- - - EXISTING COUNTY ROAD
- . - . - . NEEDING UPGRADE



WHITMAR EXPLORATION COMPANY



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WHITMAR EXPLORATION

#27-1R Well Vicinity Map

**Section 27, T.13 S., R.11 E., S.L.B. & M.
1265' FNL 2027' FEL**

SCALE: 1:500

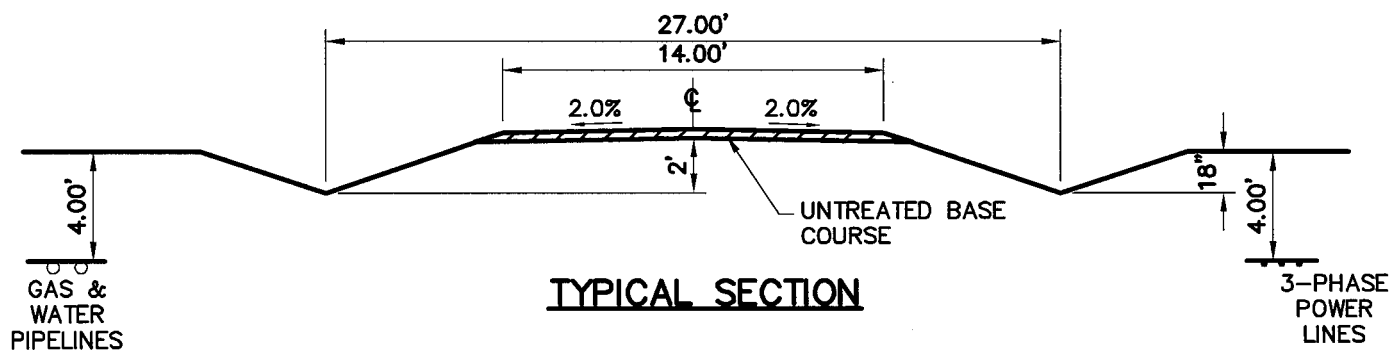
ENG.: B.B.

PROJ.# 0711-214

DATE: 05/15/2008

DWG.BY: RLB

DWG.NAME: Location Map



WHITMAR EXPLORATION COMPANY



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WHITMAR EXPLORATION

TYPICAL ROAD SECTION

DETAIL SHEET

SCALE: N/A

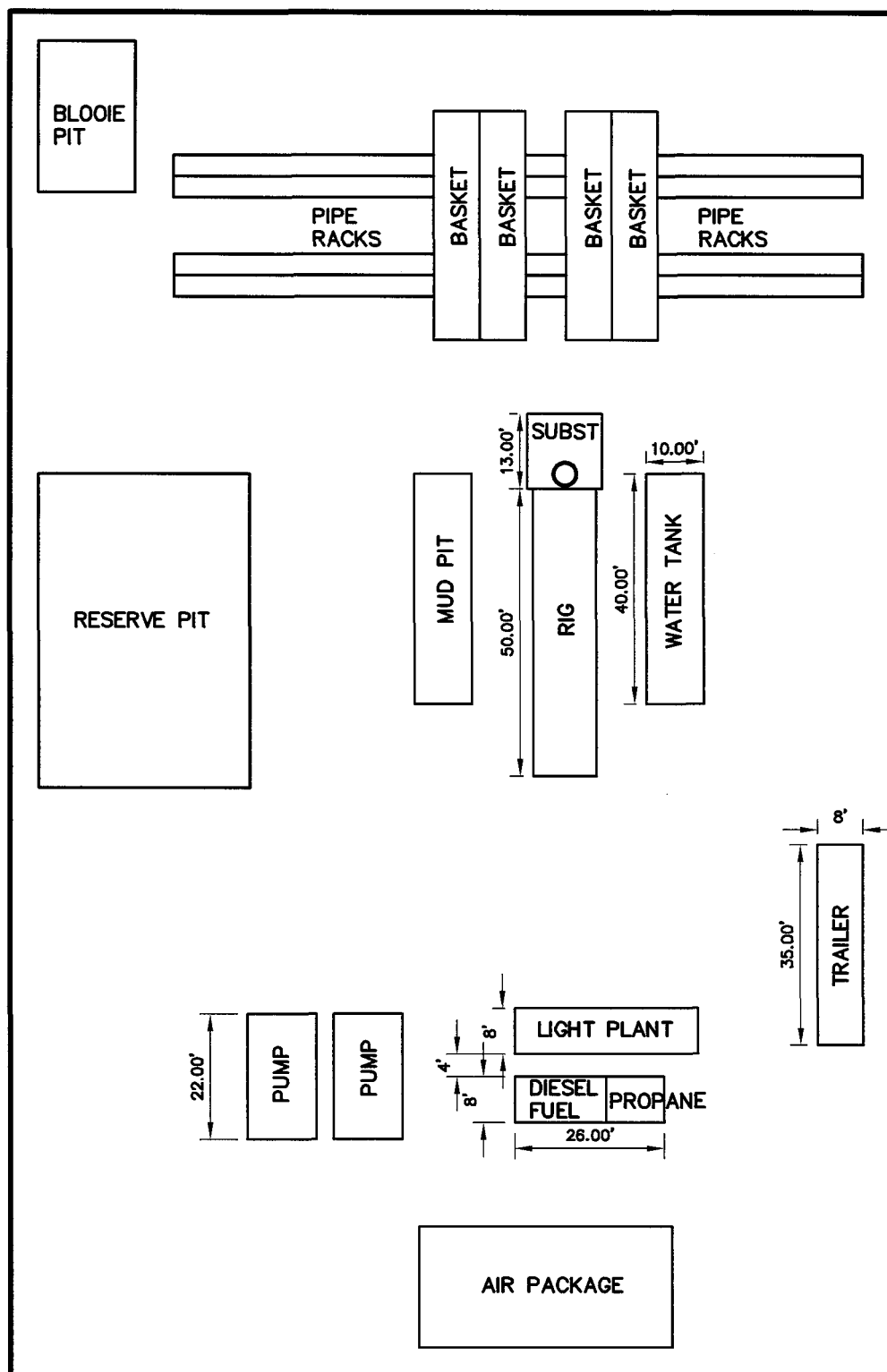
ENG.: B.B.

PROJ.#: 0711-214

DATE: 05/15/2008

DWG.BY: J.E.S.

DWG.NAME: TS-01



NOTE: DIMENSIONS AND LAYOUT ARE APPROXIMATE



WHITMAR EXPLORATION COMPANY



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WHITMAR EXPLORATION
APPROX. LAYOUT OF RIG & EQUIPMENT

DETAIL SHEET

SCALE: N/A

ENG.: B.B.

PROJ.# 0711-214

DATE: 05/15/2008

DWG.BY: J.E.S.

DWG.NAME: TS-01

WORKSHEET
APPLICATION FOR PERMIT TO DRILL

APD RECEIVED: 06/03/2008

API NO. ASSIGNED: 43-007-31415

WELL NAME: FEDERAL 27-1R

OPERATOR: WHITMAR EXPLORATION (N2585)

PHONE NUMBER: 303-991-9400

CONTACT: HEATHER MITCHELL

PROPOSED LOCATION:

NWNE 27 130S 110E

SURFACE: 1265 FNL 2027 FEL

BOTTOM: 1265 FNL 2027 FEL

COUNTY: CARBON

LATITUDE: 39.67107 LONGITUDE: -110.6706

UTM SURF EASTINGS: 528256 NORTHINGS: 4391093

FIELD NAME: HELPER (18)

INSPECT LOCATN BY: / /		
Tech Review	Initials	Date
Engineering	DKD	10/13/08
Geology		
Surface		

LEASE TYPE: 4 - Fee

LEASE NUMBER: FEE

SURFACE OWNER: 4 - Fee

PROPOSED FORMATION: FRSD

COALBED METHANE WELL? NO

RECEIVED AND/OR REVIEWED:

☒ Plat
☒ Bond: Fed[] Ind[] Sta[] Fee[]
(No. LPM8792527)
☒ Potash (Y/N)
☒ Oil Shale 190-5 (B) or 190-3 or 190-13
☒ Water Permit
(No. AIR DRILLED)
☒ RDCC Review (Y/N)
(Date:)
☒ Fee Surf Agreement (Y/N)
☒ Intent to Commingle (Y/N)

LOCATION AND SITING:

☐ R649-2-3.
Unit: _____
☐ R649-3-2. General
Siting: 460 From Qtr/Qtr & 920' Between Wells
☐ R649-3-3. Exception
☒ Drilling Unit
Board Cause No: 241-6
Eff Date: 7-22-04
Siting: 460' From Qtr/Qtr & 920' From Other Wells
☐ R649-3-11. Directional Drill

COMMENTS: Needs Post. (09-16-08)

STIPULATIONS: 1- STATEMENT OF BASIS



OPERATOR: WHITMAR EXPL CO (N2585)

SEC: 27 T.13S R. 11E

FIELD: HELPER (18)

COUNTY: CARBON

CAUSE: 241-06 / 9-22-2004

Field Status

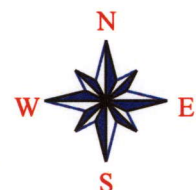
- ABANDONED
- ACTIVE
- COMBINED
- INACTIVE
- PROPOSED
- STORAGE
- TERMINATED

Unit Status

- EXPLORATORY
- GAS STORAGE
- NF PP OIL
- NF SECONDARY
- PENDING
- PI OIL
- PP GAS
- PP GEOTHERML
- PP OIL
- SECONDARY
- TERMINATED

Wells Status

- GAS INJECTION
- GAS STORAGE
- LOCATION ABANDONED
- NEW LOCATION
- PLUGGED & ABANDONED
- PRODUCING GAS
- PRODUCING OIL
- SHUT-IN GAS
- SHUT-IN OIL
- TEMP. ABANDONED
- TEST WELL
- WATER INJECTION
- WATER SUPPLY
- WATER DISPOSAL
- DRILLING



PREPARED BY: DIANA MASON
DATE: 09-JUNE-2008

Application for Permit to Drill

Statement of Basis

9/24/2008

Utah Division of Oil, Gas and Mining

Page 1

APD No	API WellNo	Status	Well Type	Surf Ownr	CBM			
777	43-007-31415-00-00		GW	P	No			
Operator	WHITMAR EXPLORATION COMPANY		Surface Owner-APD					
Well Name	FEDERAL 27-1R	Unit						
Field	UNDESIGNATED	Type of Work						
Location	NWNE 27 13S 11E S 1265 FNL 2027 FEL GPS Coord (UTM) 528256E 4391093N							

Geologic Statement of Basis

Significant volumes of high quality ground water are unlikely to be encountered at this location. A moderately permeable soil is likely to be developed on Quaternary / Tertiary Pediment Mantle covering the Upper Part of the Blue Gate Member of the Mancos Shale, but it does not appear to be charged with any significant volume of groundwater. The proposed casing and cementing program should adequately isolate any zones of fresh water that may be penetrated. No subsurface water rights have been filed within a mile of the location.

Chris Kierst
APD Evaluator

9/23/2008
Date / Time

Surface Statement of Basis

In attendance at the on-site inspection were Mark Jones (UDOGM), Ed Rasbold (WhitMar), and Lester Thayn (surface owner).

Pit ranking score does not require a synthetic liner for this location. All runoff will be diverted around and away from the well pad and access road.

Mark Jones
Onsite Evaluator

9/16/2008
Date / Time

Conditions of Approval / Application for Permit to Drill

Category	Condition
Surface	Drainages adjacent to the proposed pad shall be diverted around the location.
Surface	The reserve pit shall be fenced upon completion of drilling operations.

ON-SITE PREDRILL EVALUATION

Utah Division of Oil, Gas and Mining

Operator WHITMAR EXPLORATION COMPANY
Well Name FEDERAL 27-1R
API Number 43-007-31415-0 **APD No** 777 **Field/Unit** UNDESIGNATED
Location: 1/4,1/4 NWNE **Sec** 27 **Tw** 13S **Rng** 11E 1265 FNL 2027 FEL
GPS Coord (UTM) 528236 4391118 **Surface Owner**

Participants

M. Jones (UDOGM), Ed Rasbold (WhitMar), Lester Thayn (surface).

Regional/Local Setting & Topography

Coal Creek, Carbon County, Utah. Relatively flat terrain gradually sloped to the south west.

Surface Use Plan

Current Surface Use

Grazing

New Road

Miles	Well Pad		Src Const Material	Surface Formation
0.11	Width 150	Length 175	Onsite	

Ancillary Facilities

Waste Management Plan Adequate?

Environmental Parameters

Affected Floodplains and/or Wetland N

Flora / Fauna

greasewood, sagebrush, crested wheat grass, other weeds and shrubs. Antelope, various small game, rodents, fowl.

Soil Type and Characteristics

clay

Erosion Issues N

Sedimentation Issues N

Site Stability Issues N

Drainage Diversion Required Y

divert drainages around and away from the location.

Berm Required? N

Erosion Sedimentation Control Required? N

Paleo Survey Run? N **Paleo Potential Observed?** N **Cultural Survey Run?** N **Cultural Resources?** N

Reserve Pit

Site-Specific Factors

Distance to Groundwater (feet)	>200
Distance to Surface Water (feet)	>1000
Dist. Nearest Municipal Well (ft)	>5280
Distance to Other Wells (feet)	>1320
Native Soil Type	Low permeability
Fluid Type	Air/mist
Drill Cuttings	Normal Rock
Annual Precipitation (inches)	10 to 20
Affected Populations	<10
Presence Nearby Utility Conduits	Not Present

Site Ranking

0
0
0
0
0
0
0
5
0
0

Final Score

5 3 Sensitivity Level

Characteristics / Requirements

Dugout earthen (45x80x8).

Closed Loop Mud Required? N Liner Required? N Liner Thickness

Pit Underlayment Required? N

Other Observations / Comments

Federal needs to be taken out of the well name, no Federal involvement on this well. Operator will submit a sundry requesting name change after well has been permitted. Well pad is small and will be a tight fit to drill off of. Orientation of reserve pit is out of the ordinary.

Mark Jones
Evaluator

9/16/2008
Date / Time



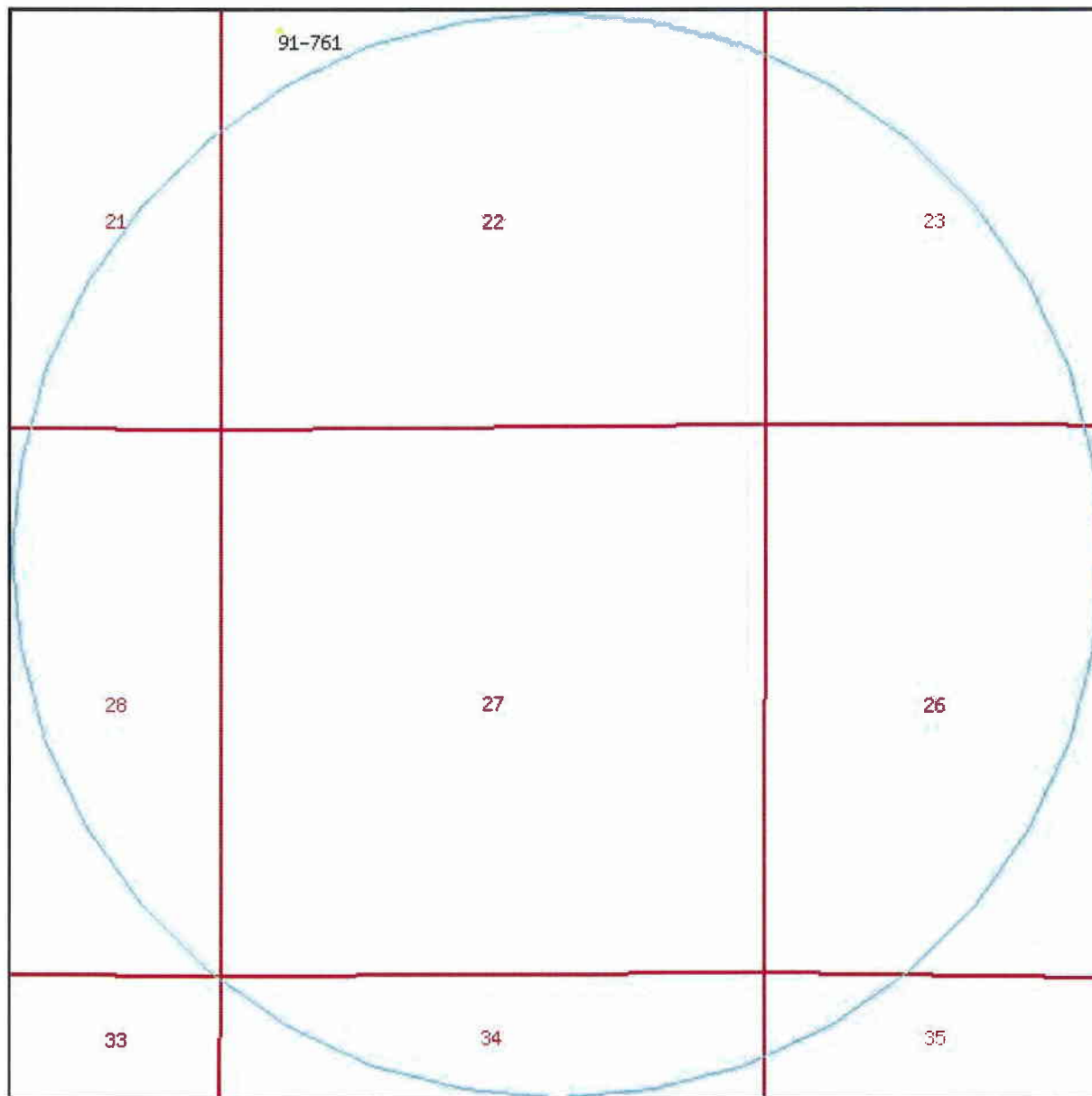
Utah Division of Water Rights



WRPLAT Program Output Listing

Version: 2007.04.13.01 Rundate: 09/23/2008 04:55 PM

Radius search of 5280 feet from a point S1265 W2027 from the NE corner, section 27, Township 13S, Range 11E, SL b&m Criteria:wrtypes=W,C,E
podtypes=S,U,Sp status=U,A,P usetypes=all



0 700 1400 2100 2800 ft

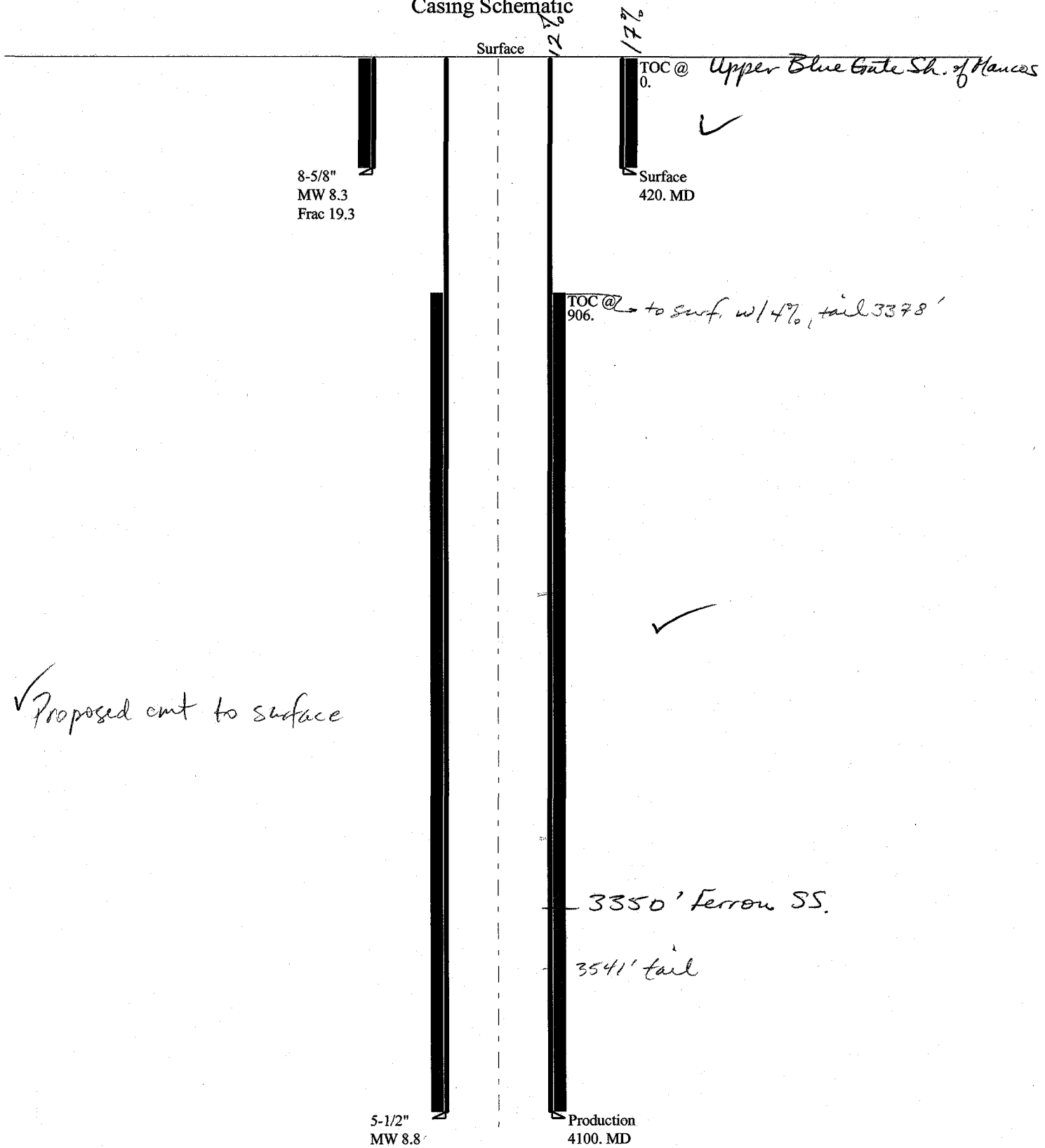
Water Rights

WR Number	Diversion Type/Location	Well Log	Status	Priority	Uses	CFS	ACFT	Owner Name
<u>91-761</u>	Surface		P	18720000	DIS	2.000	0.000	GEORGE M. & ARDITH THAYN
	S1380 E550 NW 22 13S 11E SL							WELLINGTON UT 84542

Utah Division of Water Rights | 1594 West North Temple Suite 220, P.O. Box 146300, Salt Lake City, Utah 84114-6300 | 801-538-7240
[Natural Resources](#) | [Contact](#) | [Disclaimer](#) | [Privacy Policy](#) | [Accessibility Policy](#)

43007314150000 Federal 27-!R

Casing Schematic



Well name:

43007314150000 Federal 27-!ROperator: **WhitMar Exploration Company**String type: **Surface**

Project ID:

43-007-31415-0000Location: **Carbon County****Design parameters:****Collapse**

Mud weight: 8.330 ppg

Design is based on evacuated pipe.

Minimum design factors:**Collapse:**

Design factor 1.125

Burst:

Design factor 1.00

Environment:

H2S considered? No

Surface temperature: 65 °F

Bottom hole temperature: 71 °F

Temperature gradient: 1.40 °F/100ft

Minimum section length: 150 ft

Cement top: 0 ft

BurstMax anticipated surface
pressure:

370 psi

Internal gradient: 0.120 psi/ft

Calculated BHP 420 psi

No backup mud specified.

Tension:

8 Round STC: 1.80 (J)

8 Round LTC: 1.80 (J)

Buttress: 1.60 (J)

Premium: 1.50 (J)

Body yield: 1.50 (B)

Tension is based on air weight.

Neutral point: 367 ft

Non-directional string.**Re subsequent strings:**

Next setting depth: 4,100 ft

Next mud weight: 8.800 ppg

Next setting BHP: 1,874 psi

Fracture mud wt: 19.250 ppg

Fracture depth: 420 ft

Injection pressure: 420 psi

Run Seq	Segment Length (ft)	Size (in)	Nominal Weight (lbs/ft)	Grade	End Finish	True Vert Depth (ft)	Measured Depth (ft)	Drift Diameter (in)	Internal Capacity (ft ³)
1	420	8.625	24.00	J-55	ST&C	420	420	7.972	150.2
Run Seq	Collapse Load (psi)	Collapse Strength (psi)	Collapse Design Factor	Burst Load (psi)	Burst Strength (psi)	Burst Design Factor	Tension Load (Kips)	Tension Strength (Kips)	Tension Design Factor
1	182	1370	7.538	420	2950	7.02	10	244	24.21 J

Prepared by: Helen Sadik-Macdonald
Div of Oil, Gas & MineralsPhone: 801-538-5357
FAX: 801-359-3940Date: October 9, 2008
Salt Lake City, Utah**ENGINEERING STIPULATIONS:**

Collapse strength is based on the Westcott, Dunlop & Kemler method of biaxial correction for tension.

Burst strength is not adjusted for tension.

Engineering responsibility for use of this design will be that of the purchaser.

Well name:

43007314150000 Federal 27-!ROperator: **WhitMar Exploration Company**

String type: Production

Project ID:

43-007-31415-0000

Location: Carbon County

Design parameters:**Collapse**

Mud weight: 8.800 ppg

Design is based on evacuated pipe.

Minimum design factors:**Collapse:**

Design factor 1.125

Burst:

Design factor 1.00

Environment:

H2S considered? No

Surface temperature: 65 °F

Bottom hole temperature: 122 °F

Temperature gradient: 1.40 °F/100ft

Minimum section length: 368 ft

Cement top: 906 ft

Burst

Max anticipated surface

pressure: 972 psi

Internal gradient: 0.220 psi/ft

Calculated BHP 1,874 psi

No backup mud specified.

Tension:

8 Round STC: 1.80 (J)

8 Round LTC: 1.80 (J)

Buttress: 1.60 (J)

Premium: 1.50 (J)

Body yield: 1.50 (B)

Non-directional string.

Tension is based on air weight.

Neutral point: 3,554 ft

Run Seq	Segment Length (ft)	Size (in)	Nominal Weight (lbs/ft)	Grade	End Finish	True Vert Depth (ft)	Measured Depth (ft)	Drift Diameter (in)	Internal Capacity (ft³)
1	4100	5.5	15.50	J-55	ST&C	4100	4100	4.825	547.9
Run Seq	Collapse Load (psi)	Collapse Strength (psi)	Collapse Design Factor	Burst Load (psi)	Burst Strength (psi)	Burst Design Factor	Tension Load (Kips)	Tension Strength (Kips)	Tension Design Factor
1	1874	4040	2.155	1874	4810	2.57	64	202	3.18 J

Prepared by: Helen Sadik-Macdonald
Div of Oil, Gas & MineralsPhone: 801-538-5357
FAX: 801-359-3940Date: October 9, 2008
Salt Lake City, Utah**ENGINEERING STIPULATIONS:**

Collapse strength is based on the Westcott, Dunlop & Kemler method of biaxial correction for tension.

Burst strength is not adjusted for tension.

Engineering responsibility for use of this design will be that of the purchaser.

BOPE REVIEW**WhitMar Exploration Federal 27-1R****43-007-31415-0000****INPUT**

Well Name

WhitMar Exploration	Federal 27-1R	43-007-31415-0000
String 1	String 2	
8 5/8	5 1/2	
420	4100	
0	420	
8.4	8.8	
0	2000	
2950	4810	
1000	4.7 ppg	—com

Casing Size (")

Setting Depth (TVD)

Previous Shoe Setting Depth (TVD)

Max Mud Weight (ppg)

BOPE Proposed (psi)

Casing Internal Yield (psi)

Operators Max Anticipated Pressure (psi)

Calculations**String 1****8 5/8 "****Max BHP [psi]** $.052 \times \text{Setting Depth} \times \text{MW} =$

183

BOPE Adequate For Drilling And Setting Casing at Depth?**MASP (Gas) [psi]** $\text{Max BHP} - (0.12 \times \text{Setting Depth}) =$

133

NO

*Reasonable depth***MASP (Gas/Mud) [psi]** $\text{Max BHP} - (0.22 \times \text{Setting Depth}) =$

91

NO

Can Full Expected Pressure Be Held At Previous Shoe?*Pressure At Previous Shoe** $\text{Max BHP} - .22 \times (\text{Setting Depth} - \text{Previous Shoe Depth}) =$

91

NO

Required Casing/BOPE Test Pressure

420 psi

***Max Pressure Allowed @ Previous Casing Shoe =**

0 psi

*Assumes 1psi/ft frac gradient

Calculations**String 2****5 1/2 "****Max BHP [psi]** $.052 \times \text{Setting Depth} \times \text{MW} =$

1876

BOPE Adequate For Drilling And Setting Casing at Depth?**MASP (Gas) [psi]** $\text{Max BHP} - (0.12 \times \text{Setting Depth}) =$

1384

YES

MASP (Gas/Mud) [psi] $\text{Max BHP} - (0.22 \times \text{Setting Depth}) =$

974

YES

Can Full Expected Pressure Be Held At Previous Shoe?*Pressure At Previous Shoe** $\text{Max BHP} - .22 \times (\text{Setting Depth} - \text{Previous Shoe Depth}) =$

1067

NO

*Reasonable***Required Casing/BOPE Test Pressure**

2000 psi

***Max Pressure Allowed @ Previous Casing Shoe =**

420 psi

*Assumes 1psi/ft frac gradient



JON M. HUNTSMAN, JR.
Governor

GARY R. HERBERT
Lieutenant Governor

State of Utah

DEPARTMENT OF NATURAL RESOURCES

MICHAEL R. STYLER
Executive Director

Division of Oil Gas and Mining

JOHN R. BAZA
Division Director

October 13, 2008

Whitmar Exploration Company
555 17th St., Ste. 880
Denver, CO 80202

Re: Federal 27-1R Well, 1265' FNL, 2027' FEL, NW NE, Sec. 27, T. 13 South, R. 11 East,
Carbon County, Utah

Gentlemen:

Pursuant to the provisions and requirements of Utah Code Ann. § 40-6-1 *et seq.*, Utah Administrative Code R649-3-1 *et seq.*, and the attached Conditions of Approval, approval to drill the referenced well is granted.

This approval shall expire one year from the above date unless substantial and continuous operation is underway, or a request for extension is made prior to the expiration date. The API identification number assigned to this well is 43-007-31415.

Sincerely,

Gil Hunt
Associate Director

pab
Enclosures

cc: Carbon County Assessor

Operator: Whitmar Exploration Company
Well Name & Number Federal 27-1R
API Number: 43-007-31415
Lease: Fee

Location: NW NE Sec. 27 T. 13 South R. 11 East

Conditions of Approval

1. General

Compliance with the requirements of Utah Admin. R. 649-1 *et seq.*, the Oil and Gas Conservation General Rules, and the applicable terms and provisions of the approved Application for permit to drill.

2. Notification Requirements

The operator is required to notify the Division of Oil, Gas and Mining of the following action during drilling of this well:

- 24 hours prior to cementing or testing casing – contact Dan Jarvis
- 24 hours prior to testing blowout prevention equipment – contact Dan Jarvis
- 24 hours prior to spudding the well – contact Carol Daniels
- Within 24 hours of any emergency changes made to the approved drilling program – contact Dustin Doucet
- Prior to commencing operations to plug and abandon the well – contact Dan Jarvis

The operator is required to get approval from the Division of Oil, Gas and Mining before performing any of the following actions during the drilling of this well:

- Plugging and abandonment or significant plug back of this well – contact Dustin Doucet
- Any changes to the approved drilling plan – contact Dustin Doucet

The following are Division of Oil, Gas and Mining contacts and their telephone numbers (please leave a voice mail message if the person is not available to take the call):

- Dan Jarvis at: (801) 538-5338 office (801) 942-0871 home
- Carol Daniels at: (801) 538-5284 office
- Dustin Doucet at: (801) 538-5281 office (801) 733-0983 home

3. Reporting Requirements

All required reports, forms and submittals will be promptly filed with the Division, including but not limited to the Entity Action Form (Form 6), Report of Water Encountered During Drilling (Form 7), Weekly Progress Reports for drilling and completion operations, and Sundry Notices and Reports on Wells requesting approval of change of plans or other operational actions.

4. Compliance with the Conditions of Approval/Application for Permit to Drill outlined in the Statement of Basis. (Copy Attached)

STATE OF UTAH
DEPARTMENT OF NATURAL RESOURCES
DIVISION OF OIL, GAS AND MINING

FORM 9

SUNDRY NOTICES AND REPORTS ON WELLS

Do not use this form for proposals to drill new wells, significantly deepen existing wells below current bottom-hole depth, reenter plugged wells, or to drill horizontal laterals. Use APPLICATION FOR PERMIT TO DRILL form for such proposals.

1. TYPE OF WELL OIL WELL <input type="checkbox"/> GAS WELL <input checked="" type="checkbox"/> OTHER _____		5. LEASE DESIGNATION AND SERIAL NUMBER: FEE
2. NAME OF OPERATOR: WhitMar Exploration Company		6. IF INDIAN, ALLOTTEE OR TRIBE NAME: N/A
3. ADDRESS OF OPERATOR: 555 17th Street, Ste 880 CITY Denver STATE CO ZIP 80202		7. UNIT or CA AGREEMENT NAME: UTU84383
PHONE NUMBER: (303) 991-9400		8. WELL NAME and NUMBER: Federal 27-1R
4. LOCATION OF WELL FOOTAGES AT SURFACE: 1265' FNL & 2027' FEL QTR/QTR, SECTION, TOWNSHIP, RANGE, MERIDIAN: NWNE 27 13S 11E		9. API NUMBER: 4300731415
COUNTY: Carbon		10. FIELD AND POOL, OR WILDCAT: Helper
STATE: UTAH		

11. CHECK APPROPRIATE BOXES TO INDICATE NATURE OF NOTICE, REPORT, OR OTHER DATA			
TYPE OF SUBMISSION	TYPE OF ACTION		
<input type="checkbox"/> NOTICE OF INTENT (Submit in Duplicate) Approximate date work will start: _____	<input type="checkbox"/> ACIDIZE	<input type="checkbox"/> DEEPEN	<input type="checkbox"/> REPERFORATE CURRENT FORMATION
	<input type="checkbox"/> ALTER CASING	<input type="checkbox"/> FRACTURE TREAT	<input type="checkbox"/> SIDETRACK TO REPAIR WELL
	<input type="checkbox"/> CASING REPAIR	<input type="checkbox"/> NEW CONSTRUCTION	<input type="checkbox"/> TEMPORARILY ABANDON
	<input type="checkbox"/> CHANGE TO PREVIOUS PLANS	<input type="checkbox"/> OPERATOR CHANGE	<input type="checkbox"/> TUBING REPAIR
	<input type="checkbox"/> CHANGE TUBING	<input type="checkbox"/> PLUG AND ABANDON	<input type="checkbox"/> VENT OR FLARE
<input checked="" type="checkbox"/> SUBSEQUENT REPORT (Submit Original Form Only) Date of work completion: _____	<input type="checkbox"/> CHANGE WELL NAME	<input type="checkbox"/> PLUG BACK	<input type="checkbox"/> WATER DISPOSAL
	<input type="checkbox"/> CHANGE WELL STATUS	<input type="checkbox"/> PRODUCTION (START/RESUME)	<input type="checkbox"/> WATER SHUT-OFF
	<input type="checkbox"/> COMMINGLE PRODUCING FORMATIONS	<input type="checkbox"/> RECLAMATION OF WELL SITE	<input checked="" type="checkbox"/> OTHER: <u>Extend State Permit</u>
	<input type="checkbox"/> CONVERT WELL TYPE	<input type="checkbox"/> RECOMPLETE - DIFFERENT FORMATION	

12. DESCRIBE PROPOSED OR COMPLETED OPERATIONS. Clearly show all pertinent details including dates, depths, volumes, etc.

WhitMar Exploration Company hereby requests a one (1) year extension of the state permit for the Federal 27-1R well.

This is the first extension that has been requested.

Approved by the
Utah Division of
Oil, Gas and Mining

Date: 09-09-09
By: [Signature]

COPY SENT TO OPERATOR

Date: 9.10.2009
Initials: KS

NAME (PLEASE PRINT) <u>Tammy L Garrett</u>	TITLE <u>Operations Coordinator</u>
SIGNATURE <u>[Signature]</u>	DATE <u>9/4/2009</u>

(This space for State use only)

RECEIVED

SEP 08 2009

DIV. OF OIL, GAS & MINING

**Application for Permit to Drill
Request for Permit Extension
Validation**

(this form should accompany the Sundry Notice requesting permit extension)

API: 4300731415
Well Name: Federal 27-1R
Location: NWNE Section 27-13S-11E
Company Permit Issued to: WhiMar Exploration Company
Date Original Permit Issued: 10/13/2008

The undersigned as owner with legal rights to drill on the property as permitted above, hereby verifies that the information as submitted in the previously approved application to drill, remains valid and does not require revision.

Following is a checklist of some items related to the application, which should be verified.

If located on private land, has the ownership changed, if so, has the surface agreement been updated? Yes ☐ No ☒

Have any wells been drilled in the vicinity of the proposed well which would affect the spacing or siting requirements for this location? Yes ☐ No ☒

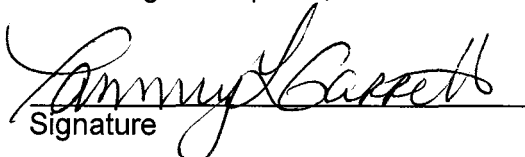
Has there been any unit or other agreements put in place that could affect the permitting or operation of this proposed well? Yes ☐ No ☒

Have there been any changes to the access route including ownership, or right-of-way, which could affect the proposed location? Yes ☐ No ☒

Has the approved source of water for drilling changed? Yes ☐ No ☒

Have there been any physical changes to the surface location or access route which will require a change in plans from what was discussed at the onsite evaluation? Yes ☐ No ☒

Is bonding still in place, which covers this proposed well? Yes ☒ No ☐


Signature

9/4/2009

Date

Title: Operations Coordinator

Representing: WhitMar Exploration Company

RECEIVED

SEP 08 2009

DIV. OF OIL, GAS & MINING

STATE OF UTAH
DEPARTMENT OF NATURAL RESOURCES
DIVISION OF OIL, GAS AND MINING

FORM 9

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2. NAME OF OPERATOR: WhitMar Exploration Company		6. IF INDIAN, ALLOTTEE OR TRIBE NAME: N/A
3. ADDRESS OF OPERATOR: 555 17th Street, Ste 880 CITY Denver STATE CO ZIP 80202		7. UNIT or CA AGREEMENT NAME: UTU84383
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PHONE NUMBER: (303) 991-9400		9. API NUMBER: 4300731415
		10. FIELD AND POOL, OR WILDCAT: Helper
		COUNTY: Carbon
		STATE: UTAH

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TYPE OF SUBMISSION	TYPE OF ACTION		
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	<input type="checkbox"/> ALTER CASING	<input type="checkbox"/> FRACTURE TREAT	<input type="checkbox"/> SIDETRACK TO REPAIR WELL
	<input type="checkbox"/> CASING REPAIR	<input type="checkbox"/> NEW CONSTRUCTION	<input type="checkbox"/> TEMPORARILY ABANDON
	<input type="checkbox"/> CHANGE TO PREVIOUS PLANS	<input type="checkbox"/> OPERATOR CHANGE	<input type="checkbox"/> TUBING REPAIR
	<input type="checkbox"/> CHANGE TUBING	<input type="checkbox"/> PLUG AND ABANDON	<input type="checkbox"/> VENT OR FLARE
<input checked="" type="checkbox"/> SUBSEQUENT REPORT (Submit Original Form Only) Date of work completion: _____	<input checked="" type="checkbox"/> CHANGE WELL NAME	<input type="checkbox"/> PLUG BACK	<input type="checkbox"/> WATER DISPOSAL
	<input type="checkbox"/> CHANGE WELL STATUS	<input type="checkbox"/> PRODUCTION (START/RESUME)	<input type="checkbox"/> WATER SHUT-OFF
	<input type="checkbox"/> COMMINGLE PRODUCING FORMATIONS	<input type="checkbox"/> RECLAMATION OF WELL SITE	<input type="checkbox"/> OTHER: _____
	<input type="checkbox"/> CONVERT WELL TYPE	<input type="checkbox"/> RECOMPLETE - DIFFERENT FORMATION	

12. DESCRIBE PROPOSED OR COMPLETED OPERATIONS. Clearly show all pertinent details including dates, depths, volumes, etc.

WhitMar Exploration Company hereby requests that the well name be changed from "Federal 27-1R" to "27-1R" since this well is not on Federal land.

NAME (PLEASE PRINT) <u>Tammy L Garrett</u>	TITLE <u>Operations Coordinator</u>
SIGNATURE <u>Tammy L Garrett</u>	DATE <u>9/4/2009</u>

(This space for State use only)

RECEIVED
SEP 08 2009

STATE OF UTAH
DEPARTMENT OF NATURAL RESOURCES
DIVISION OF OIL, GAS AND MINING

FORM 9

SUNDRY NOTICES AND REPORTS ON WELLS

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1. TYPE OF WELL OIL WELL <input type="checkbox"/> GAS WELL <input checked="" type="checkbox"/> OTHER _____		5. LEASE DESIGNATION AND SERIAL NUMBER: FEE
2. NAME OF OPERATOR: WhitMar Exploration Company		6. IF INDIAN, ALLOTTEE OR TRIBE NAME: N/A
3. ADDRESS OF OPERATOR: 555 17th Street, Ste 880 CITY Denver STATE CO ZIP 80202		7. UNIT or CA AGREEMENT NAME: UTU84383
PHONE NUMBER: (303) 991-9400		8. WELL NAME and NUMBER: 27-1R
4. LOCATION OF WELL FOOTAGES AT SURFACE: 1265' FNL & 2027' FEL		9. API NUMBER: 4300731415
QTR/QTR, SECTION, TOWNSHIP, RANGE, MERIDIAN: NWNE 27 13S 11E		10. FIELD AND POOL, OR WILDCAT: Helper

COUNTY: Carbon

STATE: UTAH

11. CHECK APPROPRIATE BOXES TO INDICATE NATURE OF NOTICE, REPORT, OR OTHER DATA

TYPE OF SUBMISSION	TYPE OF ACTION		
<input type="checkbox"/> NOTICE OF INTENT (Submit in Duplicate) Approximate date work will start: _____	<input type="checkbox"/> ACIDIZE	<input type="checkbox"/> DEEPEN	<input type="checkbox"/> REPERFORATE CURRENT FORMATION
	<input type="checkbox"/> ALTER CASING	<input type="checkbox"/> FRACTURE TREAT	<input type="checkbox"/> SIDETRACK TO REPAIR WELL
	<input type="checkbox"/> CASING REPAIR	<input type="checkbox"/> NEW CONSTRUCTION	<input type="checkbox"/> TEMPORARILY ABANDON
	<input type="checkbox"/> CHANGE TO PREVIOUS PLANS	<input type="checkbox"/> OPERATOR CHANGE	<input type="checkbox"/> TUBING REPAIR
	<input type="checkbox"/> CHANGE TUBING	<input type="checkbox"/> PLUG AND ABANDON	<input type="checkbox"/> VENT OR FLARE
<input checked="" type="checkbox"/> SUBSEQUENT REPORT (Submit Original Form Only) Date of work completion: _____	<input type="checkbox"/> CHANGE WELL NAME	<input type="checkbox"/> PLUG BACK	<input type="checkbox"/> WATER DISPOSAL
	<input type="checkbox"/> CHANGE WELL STATUS	<input type="checkbox"/> PRODUCTION (START/RESUME)	<input type="checkbox"/> WATER SHUT-OFF
	<input type="checkbox"/> COMMINGLE PRODUCING FORMATIONS	<input type="checkbox"/> RECLAMATION OF WELL SITE	<input checked="" type="checkbox"/> OTHER: <u>Extend State Permit</u>
	<input type="checkbox"/> CONVERT WELL TYPE	<input type="checkbox"/> RECOMPLETE - DIFFERENT FORMATION	

12. DESCRIBE PROPOSED OR COMPLETED OPERATIONS. Clearly show all pertinent details including dates, depths, volumes, etc.

WhitMar Exploration Company hereby requests a one (1) year extension of the state permit for the 27-1R well.

This is the second extension that has been requested.

COPY SENT TO OPERATOR

Date: 9.14.2010

Initials: KS

Approved by the
Utah Division of
Oil, Gas and Mining

Date: 09-09-10
By: [Signature]

NAME (PLEASE PRINT) <u>Tammy L Garrett</u>	TITLE <u>Operations Coordinator</u>
SIGNATURE <u>[Signature]</u>	DATE <u>9/7/2010</u>

(This space for State use only)

(5/2000)

(See Instructions on Reverse Side)

RECEIVED

SEP 09 2010

DIV. OF OIL, GAS & MINING

**Application for Permit to Drill
Request for Permit Extension
Validation**

(this form should accompany the Sundry Notice requesting permit extension)

API: 4300731415
Well Name: 27-1R
Location: NWNE Section 27-13S-11E
Company Permit Issued to: WhitMar Exploration Company
Date Original Permit Issued: 10/13/2008

The undersigned as owner with legal rights to drill on the property as permitted above, hereby verifies that the information as submitted in the previously approved application to drill, remains valid and does not require revision.

Following is a checklist of some items related to the application, which should be verified.

If located on private land, has the ownership changed, if so, has the surface agreement been updated? Yes ☐ No ☒

Have any wells been drilled in the vicinity of the proposed well which would affect the spacing or siting requirements for this location? Yes ☐ No ☒

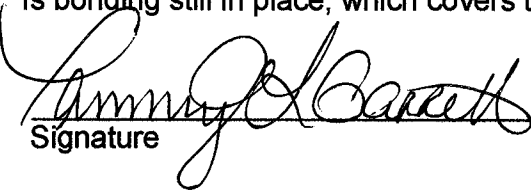
Has there been any unit or other agreements put in place that could affect the permitting or operation of this proposed well? Yes ☐ No ☒

Have there been any changes to the access route including ownership, or right-of-way, which could affect the proposed location? Yes ☐ No ☒

Has the approved source of water for drilling changed? Yes ☐ No ☒

Have there been any physical changes to the surface location or access route which will require a change in plans from what was discussed at the onsite evaluation? Yes ☐ No ☒

Is bonding still in place, which covers this proposed well? Yes ☒ No ☐


Signature

9/7/2010

Date

Title: Operations Coordinator

Representing: WhitMar Exploration Company

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SEP 09 2010

DIV. OF OIL, GAS & MINING



GARY R. HERBERT
Governor

GREGORY S. BELL
Lieutenant Governor

State of Utah

DEPARTMENT OF NATURAL RESOURCES

MICHAEL R. STYLER
Executive Director

Division of Oil, Gas and Mining

JOHN R. BAZA
Division Director

November 17, 2011

WhitMar Exploration Company
555 17th Street, Ste. 880
Denver, CO 80202

Re: APD Rescinded - 27-1R, Sec. 27, T.13S, R.11E
Carbon County, Utah API No. 43-007-31415

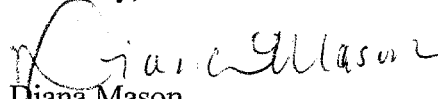
Ladies and Gentlemen:

The Application for Permit to Drill (APD) for the subject well was approved by the Division of Oil, Gas and Mining (Division) on October 13, 2008. On September 9, 2009 and September 9, 2010 the Division granted a one-year APD extension. No drilling activity at this location has been reported to the division. Therefore, approval to drill the well is hereby rescinded, effective November 17, 2011.

A new APD must be filed with this office for approval prior to the commencement of any future work on the subject location.

If any previously unreported operations have been performed on this well location, it is imperative that you notify the Division immediately.

Sincerely,


Diana Mason
Environmental Scientist

cc: Well File
Brad Hill, Technical Service Manager

